

Floor Discussion

Edward J. Welniak
Bureau of the Census

The first paper, presented by Howard M. Iams of the Social Security Administration, described how lifetime earnings could be estimated using ten years of monthly earnings data (1984-1993) from Social Security records linked to data from the Survey of Income and Program Participation (SIPP) to predict Social Security earnings through retirement.

Shelly M. Harris of Statistics Canada presented the second paper. She discussed the impact of gender, education, family relationship, and the presence of children on earnings differences of young labor market entrants. The source of her work was the Longitudinal Administrative Databank (LAD).

Charles Nelson of the Census Bureau opened the discussion with a question to Ms. Harris concerning public access to the LAD. Ms. Harris informed the audience that Statistics Canada does not make public use files available. Researchers are, however, allowed to use the LAD files at Statistics Canada.

Paula Schneider, also from Census, posed a follow-up question concerning Statistics Canada's access to tax records. Ms. Harris responded by saying that prior permission had to be obtained before accessing tax data.

Daniel Weinberg, Census Bureau, suggested that Ms. Harris' research was more cross-sectional in nature rather than longitudinal. He went on to ask how her data set handled changing longitudinal events, such as changing marital status. Ms. Harris said those types of issues were not addressed because of their complexity.

Mr. Roger Mendosa of Drexel University asked if regional disparity was considered in evaluating the results. Ms. Harris said that regional disparity was not investigated due mainly to the small sample size of the current LAD. She added that there are plans to expand the LAD sample in the near future.

Mr. Lee Cohn of the American Association for Retired Persons was the first person to pose a question to Mr. Iams. He asked if macro economic variables were considered in their models. Mr. Iams said they were not. Mr. Steven H. Sandell, coauthor with Mr. Iams, added that it may prove useful to add some macro variables, however, that would have to be done in future refinements.

Mr. Ram Chakrabarty, Census Bureau, asked why macro variables were not used. Steve Sandell replied that their model was just a first step. He added that macro variable may not add a lot to the model since lifetime earnings are not influenced much by cyclical economic changes.

John Hall of Mathematica asked if the matched SIPP/Social Security earnings data were used to evaluate the reporting of earnings on SIPP. Mr. Iams stated they concentrated on the Social Security records since they were only concerned with taxed benefits. Social Security earnings and SIPP earnings are not comparable because SIPP earnings may or may not be covered by Social Security

taxes. Mr. Nelson added that staff at the Census Bureau have produced research papers comparing SIPP wage data with IRS data.

Mr. Christopher Jennings, Census Bureau, asked how difficult it was to match Social Security and SIPP records. Mr. Iams said it wasn't difficult at all for him because he didn't do the work. The work was conducted by Census Bureau staff under an agreement with the Social Security Administration. It took about a year to complete the SIPP verification process and match. The match rates were about 95-percent for the 1984 SIPP panel and slightly less (around 92-percent) for the 1991 SIPP panel.

Several informal discussions continued between the authors and members of the audience after the session closed.